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13 January 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Policy for Establishing Per Diem and Mileage Allowances for Travel Within the Continental United States

I. PROBLEM:

1. To establish per diem and mileage allowances within the maximum rates prescribed by law which (a) will cover the travelers' necessary expenses incident to official travel for the Agency, (b) will carry out the Agency's responsibility for allowing rates based on the circumstances of the travel and (c) can be, within reasonable limits, uniformly applied by all components of the Agency.

II. DISCUSSION:

2. The legislative history of the Congressional Committee hearings on the legislation which was enacted on 28 July 1955 as Public Law 189 providing for increases in the maximum per diem and mileage rates discloses that this legislation was based on the principles that (a) Federal employees should be protected against being required to pay out of their own pockets necessary expenses incident to their official travel, (b) the per diem and mileage rates prescribed by law are maximum rates and (c) it is the responsibility of the departments and agencies to allow rates for travel within the maximum rates which are warranted by the circumstances under which the travel is performed.

3. A review has been made of the methods available to the Agency for implementing a policy for determining rates of per diem and mileage which will conform with the principles set forth in the preceding paragraph.

4. One method would be to accumulate and maintain current records of the cost of travel in every location in the United States and to make this information available to officials who authorize travel for the purpose of giving them a basis for determining the rates of per diem to be allowed for each location for each trip. The accumulation and maintenance of records for this purpose and their review to determine that they did reflect reliable rates would be costly and would be difficult to administer.

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5. Another method would be to administratively determine general classes of travel for which maximum rates of per diem are not necessary to reimburse the traveler for expenses incident to the travel and to prescribe bases for the determination of rates of allowances for each such class. This method would, within reasonable limits, reimburse travelers for expenses incident to official travel based on the circumstances of the travel and it would require little or no cost to administer.
6. A review was made of the various classes of travel authorized by the major components of the Agency for the purpose of determining whether or not travel could be classified into general groups to permit the establishment of rates warranted by the circumstances of the travel. This review disclosed that travel in the continental United States can be classified into three general groups; namely, (a) travel requiring the use of commercial facilities, (b) travel at Governmental or privately operated facilities, and (c) travel of personnel on training assignments under the direction of the Office of Training.
7. It is the consensus of the major components of the Agency that when travel requires the use of commercial hotels and restaurants the maximum per diem rate is required, in most instances, to reimburse the traveler for expenses incurred in connection with official travel. It is recognized that in some instances the travel cost may be less than the maximum per diem rate and that the authorizing official should approve per diem based on the circumstances of the travel. There are at least three classes of commercial travel for which the maximum per diem rate does not appear to be justified. One of these classes is trips of less than one day which do not require the traveler to incur any expense for lodgings. Another class is temporary duty assignments at any one location for more than 60 days. A third class represents certain training assignments which because of special circumstances surrounding the travel require the fixing of per diem rates on a case basis. Reduced maximum rates of per diem which will be equitable to the traveler can be established for these three classes of commercial travel based on the experience of the Agency.
8. When travelers are assigned to Governmental or privately operated facilities where meals and lodgings are furnished without charge, no per diem allowance is necessary as the traveler is not required to incur any expense in connection with the travel. When such facilities charge for meals and lodgings, a per diem allowance equal to the cost of these services would reimburse the traveler for the cost of his travel. When such facilities furnish only meals or lodgings, the per diem allowance should be based on the cost of the services furnished and charged and the commercial cost of the services not furnished. The legislative history of Public Law 189 shows that the \$12.00 per diem rate was based on a cost for lodgings of \$6.75 and a cost of meals and other incidental

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expenses of \$5.25. An equitable rate of per diem can be established for travelers located at facilities which furnish either meals or lodgings based on the cost of the meals furnished plus not more than \$6.75 for lodgings or the cost of the lodgings furnished plus not more than \$5.25 for meals.

9. When personnel on training assignments under the direction of the Office of Training are in a travel status, they are located at Governmental or privately operated facilities or at external sites or locations where the travel is performed under special conditions. A review of these types of travel indicates that the Office of Training has the experience and the necessary information with which to determine rates of per diem for each assignment based on the costs involved.

10. A review has also been made of the possible methods that could be used in determining the mileage allowance rate for the use of privately owned motor vehicles. This review disclosed that the cost of operating privately owned automobiles varies widely as between individuals. These costs depend largely on the number of miles driven during a given period, the cost of the automobile used, and on whether the individual is required to use his automobile to such an extent that it becomes necessary for him to purchase a second automobile for the use of his family. This variance in cost between individuals makes it impracticable, in most situations, to use cost as a basis for determination of mileage rates to be allowed by the Agency; however, it is deemed inappropriate to authorize reimbursement for the use of a privately owned motor vehicle in excess of the cost of travel by common carrier when such use is for the convenience of the traveler.

III. CONCLUSIONS:

11. That the adoption of a policy which would require the accumulation and maintenance of current costs of travel for all locations in the United States for use as the bases for determining per diem rates for each location for each trip does not appear to be administratively feasible as it would be costly and cumbersome to implement and it would not be effective in establishing equitable rates.

12. That the adoption of a travel policy based on the classification of travel into general groups with bases prescribed in regulations for the establishment of per diem allowances for each class of travel would be equitable and would provide reasonable assurance; that the traveler would be reimbursed for costs incurred incident to official travel; that the per diem allowed would be commensurate with the circumstances of the travel; and, that the per diem allowed would be, within reasonable limits, uniform throughout the Agency.

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13. That mileage rates for privately owned motor vehicles cannot be equitably established on the basis of the owner's cost of operating his vehicle and that these rates should be based on whether the use of the vehicle is for the convenience of the Agency or the traveler.

IV. RECOMMENDATIONS:

14. That for the purpose of determining the rate of per diem to be allowed for travel, that travel be classified into the following three general groups; namely, (a) travel requiring the use of commercial facilities available to the public other than for training assignments under the direction of the Office of Training, (b) travel at Governmental or privately operated facilities other than for training assignments under the direction of the Office of Training and, (c) travel of personnel on training assignments under the direction of the Office of Training.

15. That per diem rates not in excess of the maximum may be allowed when the travel requires the use of commercial facilities other than for training assignments under the direction of the Office of Training except as follows:

- a. That the per diem allowance for trips of less than one day that do not require the traveler to incur expense for lodgings be at a rate not in excess of a maximum of \$6.00 per day.
- b. That the maximum per diem allowance for continuous temporary duty at any one location be \$12.00 for the first 60 calendar days and \$8.00 for the next 120 calendar days except as provided in subparagraph 15c below.
- c. That when it is planned at the time the travel is authorized that the traveler will be on continuous temporary duty at one location for more than 90 calendar days and the traveler is notified of this fact, a per diem not in excess of \$12.00 may be authorized for the first 10 calendar days and \$8.00 for the next 170 calendar days. *Drawn*
- d. That per diem rates in excess of \$8.00 provided for extended periods of temporary duty at one location in subparagraphs 15b, 15c and 15f may be authorized when approved by the appropriate deputy director or by a single senior subordinate official designated by him.
- e. That per diem may be authorized for periods of temporary duty at one location in excess of 180 calendar days when approved by the appropriate operating official as defined by Agency regulations provided that this authority cannot be redelegated.

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- f. That when a temporary duty assignment for which reduced per diem rates are provided as set forth in subparagraphs b and c above, is interrupted for more than 10 calendar days by another duty assignment or return to the traveler's official station, the per diem rate upon return to the first temporary duty location may revert to a maximum of \$12.00 for the first 60 calendar days and \$8.00 thereafter except that if at the time of such return the traveler is scheduled to remain on continuous temporary duty at such location for more than 90 calendar days, a per diem rate of not in excess of \$12.00 for 10 calendar days and \$8.00 thereafter may be authorized.
16. That the per diem allowance for travel at Governmental or privately operated facilities other than for training assignments under the direction of the Office of Training be as follows:
- a. That no per diem be allowed for travel at Governmental or privately operated facilities which furnish meals and lodgings at no cost to the traveler.
 - b. That the per diem allowance for travel at Governmental or privately operated facilities which charge for meals and lodgings be an amount equal to the cost or estimated cost of these services but not in excess of \$12.00.
 - c. That the per diem allowance for travel at Governmental or privately operated facilities which furnish either meals or lodgings be the cost or estimated cost of the meals plus not more than \$6.75 for lodgings when meals only are furnished or the cost or estimated cost of lodgings plus not more than \$5.25 when lodgings only are furnished provided that the per diem allowance shall not exceed \$12.00 in either case.
 - d. That the authorizing officials be authorized to approve per diem rates based on the use of commercial facilities for travel assignments at Governmental or privately operated facilities when the traveler is authorized by the Agency to live off the site.
17. That the per diem allowance for training assignments under the direction of the Office of Training be determined within the legal rate by the Director of the Office of Training based on the cost of travel subject to the following:
- a. That no per diem be allowed for travel at Governmental or privately operated facilities which furnish meals and lodgings at no cost to the traveler.

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- b. That the per diem allowance for travel at Governmental or privately operated facilities which charge for meals and lodgings be an amount equal to the cost of these services.
- c. That the Director of Training be authorized to approve the payment of per diem for periods in excess of 180 days for training assignments under an approved training program provided that this authority shall not be redelegated.
18. That a mileage rate not in excess of the maximum may be allowed for the use of privately owned motor vehicles; however, when the use of the vehicle is authorized for the convenience of the traveler, payment for such use may not exceed the cost of first class travel by common carrier as authorized in Agency regulations.
19. That when the recommendations set forth herein are approved that they be incorporated into Agency regulations.

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Deputy Comptroller

CONCUR:

Representative of the
Office of the Comptroller

Date

Representative of the DD/P

Date

Representative of the DD/I

Date

The Recommendations in paragraphs 14 to 19 inclusive are approved.

APPROVED:

Date

L. K. WHITE
Deputy Director
(Support)